

SIKKIM



GOVERNMENT

GAZETTE

**EXTRAORDINARY
PUBLISHED BY AUTHORITY**

Gangtok

Friday 29th December, 2017

No. 677

Sikkim State Electricity Regulatory Commission

NOTIFICATION

**Sikkim State Electricity Regulatory Commission (Demand Side Management)
Regulations, 2017.**

No: 17/SSERC/DSM/2017

Dated: 08.11.2017

In exercise of the powers conferred by clause (zp) of sub-section (2) of section 181 of the Electricity Act, 2003 (36 of 2003), Sikkim State Electricity Regulatory Commission hereby makes the following regulations, namely, the Sikkim State Electricity Regulatory Commission (Demand Side Management) Regulations, 2017.

CHAPTER 1: GENERAL

1. Short Title, extent and Commencement

- (1) These Regulations may be called the "Sikkim State Electricity Regulatory Commission (Demand Side Management) Regulations, 2017";
- (2) These Regulations shall be applicable to the Distribution Licensees in the State of Sikkim;
- (3) These Regulations shall come into force from the date of its notification in the Official Gazette.

2. Definitions

In these Regulations, unless the context otherwise requires:

- (1) "Act" means the Electricity Act, 2003 (36 of 2003) as amended from time to time;
- (2) "Avoided Costs" means the incremental costs avoided by the distribution licensee on power purchases or in distribution on account of implementation of Demand Side Management (DSM) programmes;
- (3) "Baseline data" means the initial consumption and/or demand of electricity for the period prior to implementation of any DSM programme;
- (4) "Bureau" means the Bureau of Energy Efficiency established under sub-section (1) of Section 2 of the Energy Conservation Act, 2001;

- (iii) Implemented it in a cost effective and self sustainable manner.
- (4) The Commission may direct the Distribution Licensee to undertake DSM programmes that may not be cost effective but is highly beneficial to the society. The Commission will make available resources for such programmes.

12. Monitoring and reporting of DSM Programmes

Distribution Licensee shall undertake monitoring and reporting of progress of all DSM programmes prepared under the plan (Perspective/Annual plan) as may be specified by the Commission while according the approval of such DSM programmes under Regulation 9 and any guidelines issued by the Commission from time to time.

13. Evaluation, Measurement and Verification (EMV) of DSM programmes

- (1) Distribution Licensee shall prepare a mechanism for evaluation, measurement and verification of savings from DSM programmes as per the guidelines as may be issued by the Commission from time to time.
- (2) Distribution Licensee shall make available necessary information/data to the Commission or a third party assigned by the Commission to measure and verify the savings from DSM programmes.
- (3) The Commission, at its sole discretion and at the cost of the Distribution Licensee, may engage an independent agency, which is not undertaking any other engagement that could conflict with the interests of the consumers in the State, for evaluation/measurement/verification or any other matter relating to DSM programmes, as it may deem fit, of any/all of the DSM programmes, whether proposed for implementation or under implementation or completed.

14. Completion report

- (1) The Distribution Licensee shall submit the following reports to the Commission on the progress of each of the DSM programme and respective expenses incurred on their implementation:
 - (i) Quarterly report for each Quarter within 15 days of the next Quarter; and
 - (ii) a consolidated annual report within 30 days of the end of the Financial Year.
- (2) The Distribution Licensee will prepare and submit a detailed programme Completion Report and submit the same to the Commission within three months of completion of such programmes.
- (3) The programme Completion Report shall include the programme expenses, achievements, outcome / output, constraints / difficulties faced, if any, conclusions, recommendations, lessons learnt and suggested way forward.

15. Incentives

The Commission may provide incentives to Distribution Licensees for achieving or exceeding DSM Objectives as identified in Regulation 4 of these Regulations.

16. Powers of the Commission

The Commission may exercise its following powers as it feels expedient for Demand Side Management:

3. Interpretation

- (1) All other words and expressions used in these Regulations although not specifically defined herein, but defined in the Act, shall have the meaning assigned to them in the Act.
- (2) The other words and expressions used herein but not specifically defined in these Regulations or in the Act but defined under any law passed by the Parliament or any regulation issued by the Commission, applicable to the electrical industry in the State, shall have the meaning assigned to them in such law/regulation.
- (3) In case of any variation in interpretation of clause(s) of the English and Hindi version, the text of English version of these Regulations shall be authoritative.

4. DSM Objectives

Every Distribution Licensee shall undertake/implement DSM related policy/activity programmes with an objective to lower the overall cost of electricity to the consumers of the Distribution Licensee as well as the Distribution Licensee, by economical and efficient use of resources, which shall include the measures/principles to:

- (1) control, reduce and influence electricity demand;
- (2) encourage consumers to amend their electricity consumption pattern both with respect to timing and level of electricity demand for efficient use of energy;
- (3) complement supply side strategies to help the utilities to avoid or reduce or postpone
 - a) costly capacity (generation, transmission & distribution network) additions
 - b) costly power purchases
- (4) reduce the environmental damage by reducing the emission of green house gases;
- (5) supplement national level efforts for implementation of various DSM programmes set out by the Bureau;
- (6) make strategic efforts to induce lasting structural or behavioral changes in the market that shall result in increased adoption of energy-efficient technologies, services, and practices;
- (7) protect the interest of the consumers and shall result in overall reduction in tariff for all the consumers.

5. DSM Guiding Principles

The Distribution Licensee shall:

- (1) design, develop and implement DSM programmes that supplement national level efforts, specifically those promoted by the Bureau ;
- (2) propose and implement such DSM programmes which shall:
 - (i) be quick acting that provides long-term savings;
 - (ii) be cost effective ;
 - (iii) help to reduce peak demand, and associated costly power purchase, specifically in the urban centers;
 - (iv) include Demand Response initiatives persuading consumers to modulate their load shapes so as to flatten their load curve;

- (2) Implementation of DSM programmes
- (3) Cost Effectiveness Assessment of DSM programmes
- (4) Monitoring and Reporting of DSM Plans and programmes;
- (5) Eligibility criteria for DSM programmes;
- (6) Methodology for setting DSM targets and funding levels;
- (7) Database development framework;
- (8) Preparation of DSM Plan / programmes;

9. DSM Plan and Programme preparation, submission and approval by the Commission

- (1) Distribution Licensee shall formulate a perspective DSM Plan and submit the same to the Commission for in-principle approval for the specified period and as per the time lines that may be specified by the Commission from time to time;
- (2) The perspective DSM plan shall include:
 - (i) A section outlining the goals sought to be achieved in the specified period
 - (ii) Annual DSM Plan for each year of the perspective plan period containing description of DSM programmes proposed to be undertaken and its prioritisation along with programme wise details like:
 - a) indicative cost & its cost effectiveness pursuant to these Regulations; and any guidelines issued by the Commission from time to time;
 - b) indicative baseline data and expected reduction in tariff and/or gain in energy efficiency;
 - c) consumer segments and estimated level of participation;
 - d) Implementation strategy and schedule including process / mechanism for execution e.g. Energy Service Companies, Bidding for DSM Projects, DSM Resource Acquisition, etc.;
 - e) expected payback period and mechanism for recovery of cost and performance incentives;
 - (iii) Mechanism for Monitoring, evaluation and reporting of perspective plan and annual plan/programmes;
 - (iv) Programme/Plan for Training/Seminars/Workshops to increase consumer awareness
- (3) Selection and prioritisation of various programmes in the Annual DSM Plan shall be guided by the factors/eligibility criteria as may be specified by the Commission from time to time, including:
 - (i) cost effectiveness guidelines issued by the Commission from time to time;
 - (ii) DSM Objectives identified under Regulation 4;
 - (iii) consistency of proposed programmes to ensure that it supplements/ compliments the National level efforts adopted by the Bureau;
 - (iv) its visibility potential for creation of awareness and overall acceptability to the consumers

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